## **BRAZILIAN EMBASSY**

Washington, D.C.

Washington, DC, June 8, 2020

The Honorable Richard Neal Chairman, Ways and Means Committee U.S. House of Representatives 2309 Rayburn House Office Building Washington, DC 20515

Dear Chairman Neal,

I write with regard to the letter you and 23 other democratic members of the Ways and Means Committee sent to USTR Ambassador Robert Lighthizer, on June 3, 2020, in which you express "strong objections to pursuing a trade agreement or expanded economic partnership with Brazil's President Jair Bolsonaro," whom you describe as a "leader who disregards the rule of law and is actively dismantling hard-fought progress in civil, human, environmental, and labor rights." This is an erroneous statement, which seems to be based on misrepresentations and misinformation.

While the areas mentioned in your letter are certainly important for public policy, the views it conveys reflect rather imprecise and incorrect information. For this reason, I would like to take this opportunity to provide you with factual data that might help clarify misperceptions and set the record straight on the vast and complex array of matters you address.

## Democracy, Rule of Law and the U.S.-Brazil relations

The election of President Jair Bolsonaro in 2018 resulted from free and fair elections, following rigorous democratic standards, in which over 55% of Brazilians voted for an agenda of change. Upon his election, President Bolsonaro reaffirmed his unequivocal commitment to Democracy, the Rule of Law, and the protection of the constitutional rights of the Brazilian people. He also asserted his determination to strengthen Brazil's relations with the U.S., a traditional, strategic partner, and support for a democratic transition in neighboring Venezuela<sup>1,2,3</sup>, thus marking a sharp policy reversal from previous Brazilian administrations.

As you are aware, Brazil and the U.S. enjoy ties that date back to 1824, when your country was the first nation to recognize Brazilian independence. Since then, in spite of occasional differences,

<sup>&</sup>lt;sup>1</sup> https://www.whitehouse.gov/briefings-statements/joint-statement-president-donald-j-trump-president-jair-bolsonaro-2/

 $<sup>^2\ \</sup>underline{\text{https://www.state.gov/secretary-michael-r-pompeo-and-brazilian-foreign-minister-ernesto-araujo-remarks-to-the-press/}$ 

<sup>&</sup>lt;sup>3</sup> http://www.itamaraty.gov.br/pt-BR/acontece-no-brasil/19896-o-ministro-ernesto-araujo-recebe-o-secretario-de-estado-dos-eua-mike-pompeo-brasilia-2-de-janeiro-de-2019-coletiva-de-imprensa

the growing friendship and cooperation between our countries have reinforced our role as the two largest democracies and biggest economies of the Western Hemisphere, with great potential to foster peace, development and justice throughout our continent. This is the guiding view of President Jair Bolsonaro for the current and future relations with the United States, and one that contributes to create new opportunities for cooperation between our countries.

## Protection of constitutional rights

Much to the contrary of what your letter states, Brazil has kept, under the administration of President Jair Bolsonaro, a solid record of respect for human and labor rights, as well as protection of the dignity of workers. Brazil's comprehensive, protective labor laws, in many respects, offer even broader rights to the average worker than what is afforded by other countries, including the U.S. Many of these are enshrined in constitutional provisions, which remain intact<sup>4</sup>.

To reinforce these rights, the new Special Secretariat for Social Security and Labor has enacted bold measures to modernize union processes, in response to corrupt practices that led the previous government to suspend union registration. Instead of hindering union practices, the current administration has revamped union registration to reduce red tape and increase transparency<sup>5</sup>. A thorough assessment of Brazil's labor laws under President Bolsonaro would hence credibly attest their high international standard and show that in many cases they far surpass those established in the USMCA.

Measures undertaken during the current COVID-19 pandemic also illustrate the Brazilian government's commitment to protect jobs, by providing temporary income support to vulnerable households, cash transfers to informal and unemployed workers, employment support and partial compensation to temporarily suspended workers, as well as temporary tax breaks and credit lines for businesses that protect employment<sup>6,7</sup>. These measures are in line with the best practices of advanced economies, as recognized by the World Bank<sup>8,9</sup> and the IMF<sup>10,11</sup>.

Similarly, no protection of indigenous communities has been revoked under the current administration<sup>12</sup>. Indigenous people enjoy the full protection of the law in Brazil, and under the current administration, Brazil's National Indian Foundation is carrying out vital work to promote

<sup>&</sup>lt;sup>4</sup> Labor rights are guaranteed by articles 7, 8, 9, 10 and 11 of the Constitution of the Federative Republic of Brazil under its chapter on social rights (<a href="http://english.tse.jus.br/arquivos/federal-constitution">http://english.tse.jus.br/arquivos/federal-constitution</a>)

 $<sup>^{5}\ \</sup>underline{https://www.gov.br/economia/pt-br/assuntos/noticias/2020/abril/empresas-e-sindicatos-podem-registrar-instrumentos-coletivos-de-trabalho-pelo-portal-gov.br}$ 

<sup>6</sup> https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19

<sup>&</sup>lt;sup>7</sup> https://www.gov.br/economia/pt-br/centrais-de-conteudo/publicacoes/boletins/covid-19/timeline

<sup>8</sup> https://blogs.worldbank.org/latinamerica/taking-initial-steps-protect-brazils-poorest-during-covid-19-crisis

<sup>9</sup> https://openknowledge.worldbank.org/handle/10986/33555

 $<sup>^{10}\</sup> https://www.imf.org/en/News/Articles/2020/04/15/tr041520-transcript-of-the-april-2020-fiscal-monitor-press-briefing$ 

 $<sup>^{11}\ \</sup>underline{\text{https://www.imf.org/en/News/Articles/2020/04/15/tr041520-transcript-of-imf-md-kristalina-georgieva-opening-press-conference-2020-spring-meetings}$ 

<sup>12</sup> http://www.funai.gov.br/index.php/servicos/legislacao

ethno-development of indigenous peoples<sup>13,14</sup>, with Brazilian public policies being strictly in line with relevant national and international law<sup>15</sup>. Another example is Brazil's *National Program to Protect Human Rights Defenders, Communicators, and Environmentalists*, which protects human rights defenders who may be targeted by criminals, including defenders of indigenous peoples' and African-Brazilian *quilombolas*' human rights<sup>16</sup>.

As to the LGBT community, your letter fails to mention Brazil's important role as a member of the Organization of American States' *LGBTI Core Group*<sup>17</sup>, aimed at ending discrimination and violence against LGBTI persons. You should also consider President Bolsonaro's decision to name a transgender woman, Marina Reidel<sup>18</sup>, director for the promotion of LGBT rights, a senior position in the Ministry of Women, Family and Human Rights.

These are just some of the facts that, while not mentioned in your letter, should contribute to a fair and broader assessment of President Bolsonaro's record on the protection of constitutional rights.

## Protection and sustainable agriculture in the Amazon

Your letter states that, "under President Bolsonaro's administration, the Amazon rainforest (...) is under serious threat." Nothing could be further from the truth. The commitment of President Bolsonaro to the protection and sustainable development of the Amazon has been unwavering, as shown during *Operations Green Brazil I and II* which, since August 2019, have mobilized thousands of troops to combat fires and curb illegal deforestation. As of today, those enforcement operations have confiscated hundreds of boats, timber and fuel tanks used to start fires. More than US\$ 28 million in fines have been issued, and some 50 sites used for illegal activities have been destroyed<sup>19,20</sup>.

Additionally, in February 2020, President Bolsonaro launched the "National Council for the Legal Amazon," to foster sustainable development and further tackle illegal deforestation in the region. The Council, headed by Brazil's Vice-President Hamilton Mourão, reaffirms the federal government's commitment to strengthen the agencies involved in protecting the Amazon and fulfilling the goal of zero illegal deforestation by 2030, as established in the Paris Agreement.

<sup>&</sup>lt;sup>13</sup> https://www.gov.br/pt-br/noticias/assistencia-social/2020/05/funai-atua-em-todo-o-pais-no-combate-ao-coronavirus

 $<sup>^{14}\ \</sup>underline{https://tvbrasil.ebc.com.br/brasil-em-pauta/2020/03/presidente-da-funai-defende-etnodesenvolvimento}$ 

 $<sup>^{15}\ \</sup>underline{\text{http://www.itamaraty.gov.br/pt-BR/discursos-artigos-e-entrevistas-categoria/presidente-da-republica-federativa-do-brasil-discursos/20890-discurso-do-presidente-jair-bolsonaro-na-abertura-da-74-assembleia-geral-das-nacoes-unidas-nova-york-24-de-setembro-de-2019}$ 

<sup>16</sup> https://www.gov.br/mdh/pt-br/navegue-por-temas/programas-de-protecao/ppddh-1/sobre-o-ppddh

 $<sup>^{17} \, \</sup>underline{\text{http://www.itamaraty.gov.br/en/press-releases/14225-founding-of-the-oas-core-group-on-the-promotion-of-the-rights-of-lgbti-persons}$ 

<sup>18</sup> https://www.gov.br/mdh/pt-br/quem-e-quem-curriculos/Marina.pdf/view

 $<sup>^{19}</sup>$  https://www.gov.br/pt-br/noticias/meio-ambiente-e-clima/2019/10/operacao-verde-brasil-aplica-cerca-de-r-142-milhoes-em-multas-e-combate-1-835-focos-de-incendio

 $<sup>\</sup>frac{20}{https://www.gov.br/defesa/pt-br/assuntos/noticias/ultimas-noticias/no-amazonas-operacao-verde-brasil-2-apreende-carga-de-animais-silvestres}$ 

<sup>&</sup>lt;sup>21</sup> https://www.gov.br/planalto/pt-br/conheca-a-vice-presidencia/conselho-da-amazonia/conselho-nacional-da-amazonia-legal-cnal

Although Brazil is one of the main food producers in the world, agribusiness is not the cause for deforestation in the Amazon, as your letter suggests. Farmers in the Amazon are required by law to preserve **80% of native vegetation** within their private properties. As a result, less than 5% of Brazilian grain is produced in the region<sup>22</sup>, and ranchers who engage in deforestation are prevented, under the Brazilian Cattle Agreement, from accessing domestic and international markets.

Official statistics indicate that between 1990 and 2018 Brazilian beef production increased by 139%, while the area for **cattle grazing decreased by 15%**<sup>23</sup>. In partnership with the World Bank, Brazil has enabled the expansion of low carbon agriculture models to an area almost twice the size of California, thus eliminating 200 million tons of carbon emissions<sup>24</sup>.

Therefore, it would be incorrect to state that Brazil has "a history of employing unfair trade practices" in agriculture. Quite to the contrary, Brazilian agricultural competitiveness is based on science, free entrepreneurship and technological innovation, regulated by rigorous environmental enforcement. These elements have enabled Brazil to become the biggest market after the U.S. for most of American agritech companies, such as Cargill, Syngenta, John Deere and Dow.

The agricultural sector is an example of the great opportunities that lie ahead for our countries with an expanded trade and economic relationship, under free and competitive economic practices, to which President Jair Bolsonaro has been firmly committed. Our bilateral trade relations have reached US\$105 billion in 2019, with more than US\$30 billion in surplus for the United States, one of the largest in the U.S. trade balance. Brazilian investments in the U.S. have grown more than 350% in the last decade and sustain today more than 100,000 American jobs in over 40 U.S. states and 150 congressional districts. In turn, the United States has the largest stock of foreign investments in Brazil.

These are underlying facts that make me believe, Chairman Neil, that both Brazil and the United States stand only to gain from an increased trade and economic partnership which will translate into prosperity and opportunity for Brazilian and American workers. I sincerely hope this letter will enable us to begin a fruitful and broad dialogue on these and other issues and I remain at your disposal should you require any additional information on matters of interest for the Ways and Means Committee.

Sincerely yours,

Nestor Forster Jr. Chargé d'Affaires

<sup>22</sup> https://www.conab.gov.br/info-agro/safras/graos/boletim-da-safra-de-graos

<sup>&</sup>lt;sup>23</sup> http://abiec.com.br/en/sustainability/

 $<sup>\</sup>frac{24}{\rm https://www.wilsoncenter.org/event/sustainable-agriculture-the-tropics-conversation-best-practices-brazils-minister-agriculture}$ 

CC: The Honorable Ambassador Robert Lighthizer, United States Trade Representative

The Honorable Terri A. Sewell Vice Chairwoman, Ways and Means Committee

The Honorable Earl Blumenauer Chairman, Trade Subcommittee, Ways and Means Committee

The Honorable John Lewis, Ways and Means Committee

The Honorable Lloyd Doggett, Ways and Means Committee

The Honorable Mike Thompson, Ways and Means Committee

The Honorable John B. Larson, Ways and Means Committee

The Honorable Ron Kind, Ways and Means Committee

The Honorable Bill Pascrell, Ways and Means Committee

The Honorable Danny K. Davis, Ways and Means Committee

The Honorable Linda T. Sánchez, Ways and Means Committee

The Honorable Brian Higgins, Ways and Means Committee

The Honorable Suzan K. DelBene, Ways and Means Committee

The Honorable Judy Chu, Ways and Means Committee

The Honorable Gwen Moore, Ways and Means Committee

The Honorable Daniel T. Kildee, Ways and Means Committee

The Honorable Brendan Boyle, Ways and Means Committee

The Honorable Donald S. Beyer, Jr., Ways and Means Committee

The Honorable Dwight Evans, Ways and Means Committee

The Honorable Bradley S. Schneider, Ways and Means Committee

The Honorable Thomas R. Suozzi, Ways and Means Committee

The Honorable Jimmy Panetta, Ways and Means Committee

The Honorable Jimmy Gomez, Ways and Means Committee

The Honorable Steven Horsford, Ways and Means Committee